

UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

\_\_\_\_\_  
In the Matter of )

Carolene T. Daniel, )

A former Employee and )  
Institution-Affiliated )  
Party of )

California Federal Bank )  
a Federal Savings Bank, )  
San Francisco, California. )  
\_\_\_\_\_

OTS Order No.: SF-99-005

Date: July 7, 1999

**STIPULATION AND CONSENT TO  
ISSUANCE OF AN ORDER OF PROHIBITION**

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Carolene Tchakmakjian Daniel ("DANIEL"), a former employee of California Federal Bank, a Federal Association, San Francisco, California ("CalFed"), that the OTS is of the opinion that the grounds exist to initiate prohibition proceedings against her pursuant to 12 U.S.C. § 1818(e);<sup>1</sup> and

WHEREAS, DANIEL desires to cooperate with the OTS to avoid the time and expense of such administrative litigation and, without admitting or denying that such grounds exist, hereby stipulates and agrees to the following terms:

\_\_\_\_\_  
<sup>1</sup>All references in this Stipulation and Consent and the Order of Prohibition are to the U.S.C. as amended.

Carolene T. Daniel  
Stipulation and Consent

08/07/99

1. Jurisdiction.

(a) CalFed, at all times relevant hereto, was a "savings association" within the meaning of 12 U.S.C. § 1813(b), and Section 2(4) of the Home Owners' Loan Act, 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) DANIEL, as a former employee of CalFed is deemed to be an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u) having served in such capacity within six years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the "appropriate Federal banking agency" to maintain an enforcement proceeding against institution-affiliated parties. Therefore, DANIEL is subject to the authority of the OTS to initiate and maintain prohibition proceedings against her pursuant to 12 U.S.C. § 1818(e).

2. OTS Findings of Fact. The OTS finds that while employed at California Federal, DANIEL misused her position as a Service Representative when she fraudulently originated 5 separate account loans at California Federal and misappropriated \$126,000 for her personal benefit. As a result of these actions, (1) DANIEL engaged in a violation of the law or breached her fiduciary duty of honesty to CalFed; (2) CalFed suffered a financial loss and/or DANIEL received a financial benefit or other gain (regardless of whether or not restitution was subsequently made); and (3) the violation of law or breach of fiduciary duty involved personal dishonesty.

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Subsequently, DANIEL repaid CalFed the full amount of its loss.

3. Consent. DANIEL consents to the issuance by the OTS of the accompanying Order of Prohibition ("Order"). She further agrees to comply with its terms upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. The Order is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon its issuance by the Regional Director or designee for the West Region, OTS, it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers. DANIEL waives the following:

(a) the right to be served with a written notice of the OTS's charges against her (referred to as Notice of Intention to Prohibit, see 12 U.S.C. § 1818(e));

(b) the right to an administrative hearing of the OTS's charges against her as provided by 12 U.S.C. § 1818(e);

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order;

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, the Equal Access to Justice Act, 5 U.S.C. § 504 or 28 U.S.C. § 2412; and

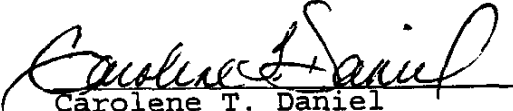
(e) the right to assert this proceeding, her consent to issuance of the Order, and/or the issuance of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity.

6. Other Government Actions Not Affected. DANIEL acknowledges and agrees that the consent to the entry of the Orders are for the purposes of resolving this prohibition action only, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of DANIEL that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

7. Acknowledgment of Criminal Sanctions. DANIEL acknowledges that 12 U.S.C. § 1818(j), sets forth criminal penalties for knowing violations of this Order.

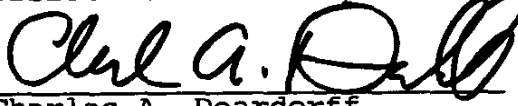
WHEREFORE, DANIEL executes this Stipulation and Consent to Issuance of an Order of Prohibition intending to be legally bound hereby.

By:

  
Carolene T. Daniel

Accepted by:

Office of Thrift Supervision

  
Charles A. Deardorff  
Regional Director  
West Region

Date: 6/28/99

Date: 7/7/99



\* \* \* \* \*

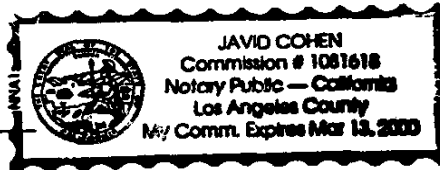
State of CALIFORNIA )

County of LOS ANGELES )

On this 28th day of JUNE, 1999, before me, the undersigned notary public, personally appeared Carolene Tchakmakjian Daniel and acknowledged her execution of the foregoing STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION.

Javid Cohen  
Notary Public

My commission expires:



(daniel proh stip jah/18)

Carolene T. Daniel  
Stipulation and Consent

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UNITED STATES OF AMERICA  
Before The  
OFFICE OF THRIFT SUPERVISION

|                            |   |                                 |
|----------------------------|---|---------------------------------|
| In the Matter of           | ) |                                 |
|                            | ) |                                 |
| Carolene T. Daniel,        | ) | OTS Order No.: <u>SF-99-005</u> |
|                            | ) |                                 |
| A former Employee and      | ) | Date: <u>July 7, 1999</u>       |
| Institution Affiliated     | ) |                                 |
| Party of                   | ) |                                 |
|                            | ) |                                 |
| California Federal Bank,   | ) |                                 |
| a Federal Savings Bank,    | ) |                                 |
| San Francisco, California. | ) |                                 |

CONSENT ORDER OF PROHIBITION

WHEREAS, Carolene Tchakmakjian Daniel ("DANIEL") has  
executed a Stipulation and Consent to Entry of an Order of  
Prohibition ("Stipulation") on June 28, 1999; and

WHEREAS, DANIEL, by her execution of the Stipulation, has  
consented and agreed to the issuance of this Order of Prohibition  
("Order") by the Office of Thrift Supervision ("OTS"), pursuant  
to 12 U.S.C. § 1818(e); and

NOW THEREFORE, IT IS ORDERED that:

1. DANIEL is prohibited from further participation, in any  
manner, in the conduct of the affairs of California Federal Bank,  
a Federal Association, San Francisco, California ("CalFed"), and

Carolene T. Daniel  
Order of Prohibition

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6/28/99

any successor institution, holding company, subsidiary, and/or service corporation thereof.

2. DANIEL is and shall be subject to the statutory prohibitions provided by 12 U.S.C. § 1818(e), except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not:

(a) hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- (i) any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- (ii) any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;
- (iii) any insured credit union under the Federal Credit

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Union Act, 12 U.S.C. § 1781 et seq.;

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- (iv) any institution chartered under the Farm Credit Act of 1971, 12 U.S.C. § 2001 et seq.;
  - (v) any appropriate Federal depository institution regulatory agency, within the meaning of 12 U.S.C. § 1818(e) (7) (A) (v); and
  - (vi) the Federal Housing Finance Board and any Federal Home Loan Bank.
- (b) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in 12 U.S.C. § 1818(e) (7) (A);
- (c) violate any voting agreement previously approved by the "appropriate Federal banking agency" within the meaning of 12 U.S.C. § 1813(q); or
- (d) vote for a director, or serve or act as an "institution-affiliated party," as that term is defined at 12 U.S.C. § 1813(u), e.g., a director, officer, employee, controlling stockholder of, or agent for, an insured depository institution.

3. The Stipulation is made a part hereof and is incorporated herein by this reference.

4. This Order is subject to the provisions of 12 U.S.C. § 1818(j).

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5. DANIEL shall promptly respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

6. This Order is and shall become effective on the date it is issued, as shown in the caption hereof. The Stipulation and the Order shall remain in effect until terminated, modified or suspended, in writing by the OTS, acting through its Director, Regional Director or other authorized representative.

OFFICE OF THRIFT SUPERVISION

By:



Charles Deardorff  
Regional Director  
West Region

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Carolene T. Daniel  
Order of Prohibition

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